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As of: August 2, 2006 (12:40pm)

LC2012

**** Bill No. ****

Introduced By *****

By Request of the *****

A Bill for an Act entitled: "An Act implementing the general appropriation act provisions for the university system; providing that the university system report on certain goals and measures to the education and local government interim committee; directing that the education and local government interim committee make recommendations to the office of budget and program planning; providing for the inclusion of certain appropriations in the present law base and base budget; providing for the release of certain contingent appropriations; amending section 17-7-102, MCA; and providing an immediate effective date and a termination date."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 17-7-102, MCA, is amended to read:

"17-7-102. Definitions. As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation

from the legislature under 17-8-101.

(3) "Approving authority" means:

- (a) the governor or the governor's designated representative for executive branch agencies;
- (b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;
- (c) the speaker for the house of representatives;
- (d) the president for the senate;
- (e) appropriate legislative committees or a designated representative for legislative branch agencies; or
- (f) the board of regents of higher education or its designated representative for the university system.

(4) (a) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(b) For the 61st legislature, the term includes university system appropriations that meet the conditions contained in [section 2].

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more

functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

(8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; ~~and~~

(d) elimination of nonrecurring appropriations;

(e) adjustments made pursuant to [section 2].

(11) "Program" means a principal organizational or budgetary unit within an agency.

(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell."

{Internal References to 17-7-102: None.}

NEW SECTION. **Section 2. University system base budget adjustment procedure.** (1) The education and local government interim committee shall review tuition increases during the 2009 biennium. If tuition increases at the four-year campuses are limited to not more than 5% a year during the 2009 biennium and tuition does not increase at the two-year campuses during the 2009 biennium, then by August 2008, the education and local government interim committee shall recommend to the office of budget and program planning that the appropriation of \$____, contained in House Bill No. 2 of the 60th legislature be treated

as present law base and be part of the base budget for the 61st legislature.

(2) The university system is encouraged to complete a comprehensive plan that coordinates all student financial aid components so that all components comprise an integrated system of student aid. The education and local government interim committee shall review the progress toward a comprehensive plan. If a comprehensive, integrated student aid program increases the average state funded need-based aid award to each student by \$70 per capita and increases retention and completion rates for the targeted need-based aid students by _____%, then the education and local government interim committee shall recommend to the office of budget and program planning by August 2008 that the appropriation of \$____, contained in House Bill No. 2 of the 60th legislature may be treated as present law base and be part of the base budget for the 61st legislature.

(3) (a) The university system is encouraged to:

(i) reduce the appeals of transfer credit decisions with a goal of reducing appeals by 50% from the base year of 2006-2007;

(ii) align the K-12 graduation standards and post-secondary proficiency standards in composition, mathematics, and science;

(iii) adopt articulation agreements between all university units, community colleges, and tribal colleges for the 22 transfer pathways;

(iv) achieve the same retention and completion rates for students that have transferred between campuses as the rates for students who have not transferred between campuses.

(b) By August 2008, the office of the commissioner of higher education shall report to the education and local government interim committee success toward achieving the measures contained in subsection (3)(a). If the measures contained in subsection (3)(a) are achieved, then the education and local government interim committee shall recommend to the office of budget and program planning that the appropriation of \$____, contained in House Bill No. 2 of the 60th legislature may be treated as present law base and be part of the base budget for the 61st legislature.

NEW SECTION. **Section 3. Contingent appropriation conditions for university system.** (1) The university system is encouraged to improve the transferability and student data systems by developing a data warehouse and implementing assessment models. By May 15, 2008, the office of the commissioner of higher education shall report to the education and local government interim committee, improvements to the transferability and student data systems. If transfer pathways have been created in 22 different program and subject areas and if the number of potential prepostsecondary educational credits that are accepted by the university system has been increased by 25%, then the education and local government interim committee shall recommend to the office of budget and program planning that the contingent fiscal year 2009 appropriation of \$ be released to the university system.

(2)(a) The university system is encouraged to expand and

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coordinate the distance learning program across the university system. The university system is urged to:

(i) increase by ____%, the number of students enrolled in distance learning education courses;

(ii) increase by ____%, the number of distance learning courses and programs that are offered;

(iii) increase by ____% ,the number of new credit and noncredit distance education programs that are primarily intended to serve workers in need of career training and employers in need of specially skilled workers.

(b) By May 15, 2008, the office of the commissioner of higher education shall report to the education and local government interim committee success in meeting the goals contained in subsection (2)(a). If the measures contained in subsection (2)(a) are achieved, then the education and local government interim committee shall recommend to the office of budget and program planning that the contingent fiscal year 2009 appropriation of \$ be released to the university system.

NEW SECTION. **Section 4. {standard} Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 5. {standard} Termination.** [This act] terminates June 30, 2009.

- END -

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